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EXCOM 9053-80

30 April 1980

MEMORANDUM FOR: Executive Committee Members

25X1 FROM          :    [                    ]
                        Special Assistant to the DDCI

SUBJECT          :    Executive Committee Meeting,
                         7 May 1980


        The Executive Committee will meet on Wednesday, 7 May 1980, at
3:00 P.M. in the DCI conference room on two topics:

    (1)  Agency Planning Process:  In response to an October 1979
         DDCI request, the Executive Committee Staff has developed
         the attached proposal for an Agency-wide planning process.
         [                              ] has worked closely with your planning          25X1
         officers in drafting the proposal.  He or they could answer
         any questions you might have before the session.

    (2)  Space Planning:  The Director of Logistics will bring you
         up to date on the Agency's current space problems and will
         make a recommendation regarding consolidating Agency
         functions at Headquarters.  Background material for this
         presentation was provided previously.  (See EXCOM 9042-80,
         2 April 1980).

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C O N F I D E N T I A L

A PROPOSED AGENCY-WIDE

PLANNING PROCESS

PREPARED BY:

EXCOM STAFF
WITH ASSISTANCE OF
DIRECTORATE AND
COMPTROLLER
PLANNING CHIEFS

30 APRIL 1980

C O N F I D E N T I A L

## A PROPOSED AGENCY-WIDE PLANNING PROCESS

1. This paper proposes an overall planning process for the Central Intelligence Agency and is in response to a specific request from the DCI/ DDCI. The proposal addresses a basic CIA problem, namely, that existing directorate-specific management and planning processes do not adequately provide for well integrated Agency-wide planning.

2. The principal objective of the proposed planning process is to improve and build on existing planning processes from an Agency-wide viewpoint without creating another management body. A secondary objective is to accomplish these improvements while simplifying and combining existing procedures and paperwork.

3. The existing planning processes and their success in meeting Agency needs may be summarized as follows:

   (a) Executive Committee - The EXCOM has been an effective forum for decisions and guidance, yet has provided only limited integration of issues and plans.

   (b) The CIA Goals program has provided effective guidance and evaluation of short term directorate-level activities, but excludes some major plans.

   (c) The Comptroller's combined program/budget planning is complete from an Agency-wide resource standpoint, but is not a substitute for more broadly based planning.

   (d) Existing directorate-specific planning processes, such as the DDA Strategic Communications Plan, the DDS&T 5-Year SIGINT Plan, and the NFAC NITS are of mixed effectiveness but are not meshed in an Agency-wide planning process.

4. These separate planning processes guide much of this Agency's planning activities. Figure 1 depicts existing Agency and directorate planning systems with a representative menu of such activities and indicates the involved management review forums. This chart raises some questions which should be addressed in an Agency-level planning process, such as:

   (a) Are these plans being discussed in the appropriate Agency-wide forums?

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EXISTING PLANNING ACTIVITY
(Representative, Not Complete)

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| LEAD DIRECTORATE OR COMPONENT | PLANS (PLANNING PERIOD IN YEARS) | INVOLVEMENT OF DIRECTORATES | | | | AGENCY LEVEL MANAGEMENT FORUM: |
|---|---|---|---|---|---|---|
| | | NFAC | DDS&T | DDO | DDA | EXCOM / GOALS PROGRAM / COMPTROLLER / NONE OR ADHOC |

DDA

Language Training (1+)
APEX (1+)
Space (1+)
Other Objectives (1-5)
 & Assoc. Action Plans (1)
Strategic Commo Plan (10)
Info Handling* (5+)
ODP L.R. Plan (5)
DDA Program/Budget (5)

OPPPM          Management Projections (5)

COMPTROLLER    Agency Program/Budget (5)

*Developmental

Figure 1.b

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(b) What fraction of the Agency's total effort/resources
are not guided by these planning forums?
What are the gaps in planning?

(c) How can these plans be better integrated, consolidated?

Some of the directorate planning processes have existed for a long period
of time, others are undergoing major changes and revision. The few
Agency-wide processes mentioned above -- the revitalized Executive
Committee, and the CIA Goals Program -- are relatively new and developing,
as is the ZBB approach in the Comptroller's office. Taking these changes
and evolving new planning systems in mind, the approach proposed in this
paper is an incremental one. That is, build on existing systems without
major overhaul or reorganization of those processes.

5. With such an incremental approach, it is reasonable to expect
that, over a period of time, the DCI/DDCI/EXCOM will be able to provide
more effective planning guidance to the Directorates and achieve improved
performance in selected areas of this Agency's activities. This would
be accomplished by careful management attention to integrated planning
and by aggressively seeking new innovative strategies and investments
in agreed areas. Four specific options for an Agency-wide planning process
are summarized in Figure 2 and described below.

6. Option I is a fully decentralized system with a minimum
DCI/DDCI role. In a system of this type, used by the previous DCI/DDCI,
the directorates, working through the Comptroller, are completely responsible
for Agency-level planning. The planning role of the DCI/DDCI is limited
to approving or disapproving the final results of directorate/Comptroller
plans. The advantage of this option is that direct and clear responsibilities
for planning are delegated to the Deputy Directors and the Comptroller.
Possible disadvantages include the limited time and attention which
might be available to these senior managers to focus on Agency-level
planning, and the lack of direct DCI/DDCI input to the planning
processes. This option represents an incremental step toward more
decentralization relative to the current management approach.

7. Option II is the current management approach to Agency-level
planning. For the past year, three existing planning processes,
specifically EXCOM, the Goals Program (plus the advance work
plans of the senior managers) and the Comptroller's Program/Budget have
provided the basis for top management planning, guidance, and decisions.
The foundation has been the existing directorate planning systems. The
principal advantage of the current system is that it provides more DCI/DDCI
guidance than Option I and is supported by Agency-wide
collegial forums. The existing system is supported by separate
staff elements in the directorates and a small staff in the DCI
area. The perceived weaknesses of the current system are the
planning gaps that exist from an Agency-wide standpoint, an absence
of coherent Agency-wide planning guidance from the DCI/DDCI to
the directorates and a real need to effect better integrated Agency-
level planning.

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OPTIONS FOR AGENCY LEVEL PLANNING PROCESS

| | OPTION I<br>"DECENTRALIZED" | OPTION II<br>"WHERE WE ARE" | OPTION III<br>"RECOMMENDED" | OPTION IV<br>"SEPARATE PLANNING BOARD" |
|---|---|---|---|---|
| Forum | o D/Directors and Compt. Plan with DDCI/DCI Directly | o DD's and Compt. Plan with DDCI and DCI Directly<br>or<br>o In EXCOM<br>or<br>o In Goals Program<br>or<br>SIS/AWPs | o DD's Compt. Plan with DDCI & DCI Directly<br>and<br>o In EXCOM <u>Annual Planning Retreat</u><br>and<br>o In Goals Program (Modified) | o DD's and Compt. Plan with DDCI & DCI Directly<br>or<br>o <u>Planning Board in DDCI Office</u>   or<br>o <u>EXCOM</u><br>or<br>o Goals Program |
| Mechanics | o Ad Hoc or Scheduled Forums | o Scheduled Mtgs. EXCOM-Weekly Goals-Quarterly<br>o Advance Preparation | o Scheduled Mtgs. EXCOM-Weekly <u>Semi-annual Planning</u> Mtgs Goals-Quarterly | o Scheduled Mtgs. EXCOM-Weekly Goals-Quarterly <u>Planning Board?</u> |
| Major Products | o DDCI Guidance Program/Budget Annual Report | o DDCI Guidance<br>o Program/Budget<br>o Annual Report | o <u>CIA Five-Year Plan and Guidance</u><br>o Program/Budget<br>o Annual Report* (Semi-annual planning report) | o Plan?<br>o DDCI Guidance<br>o Program/Budget<br>o Annual Report |
| Responsi-bility | o <u>Directorate Line Management and Comptroller</u> | o Line Management plus<br>o Collegial Forums to support Agency-level <u>decisions</u><br>o Limited Integration and <u>Long-Range Planning Guidance</u> | o DCI/DDCI lead/guidance Line Management  plus<br>o Integrated Collegial forums to support decisions and <u>long-range planning guidance</u> | o DCI-level Board provides <u>integration</u> and <u>long-range planning/guidance</u> plus<br>o Line Management plus<br>o Collegial forums to support <u>decisions</u> |
| Support | o Indirect Staff Support | o DCI/DDCI Staff and Directorate Staffs separate | o DCI/DDCI and Directorate Planning Staffs through regular working meetings | o Formal full-time Planning Board at DCI level<br>o Separate paper process |

*Reflecting Progress on 5 Yr Plan

Figure 2       CONFIDENTIAL

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8. Option III is the <u>recommended option</u> that builds on the existing processes and addresses some of the current weaknesses by proposing that:

(1) the EXCOM formally undertake Agency-
wide planning on a semi-annual basis.

(2) the resulting plan provide the basis for
the Program/Budget and for directorate-level
plans, and

(3) the EXCOM be supported in these planning
activities by an informal combination of staff
elements from both the DCI area (EXCOM Staff
and Comptroller) and the existing directorate
planning staffs.

The advantage of this option is that it provides the DCI/DDCI/EXCOM with a means to exercise constructive leadership through an evaluation of existing planning systems and the selection of carefully considered planning proposals and issues based on that review. This option maintains the current heavily decentralized planning system but also provides an Agency-wide mechanism to better integrate and guide those systems than does current practice. The integration of Agency-level plans becomes a continuous process supported by combined staff work which extracts appropriate Agency-level planning issues from existing planning forums. These issues are then reviewed and endorsed by the principal managers through the EXCOM on a semi-annual basis. A possible disadvantage of the proposed process is that adding this responsibility incrementally to those of currently existing staffs may result in an inadequate product.

9. Option IV is a fully <u>centralized system</u>. This option proposes establishing a new DCI/DDCI formal planning board, which would provide specific planning guidance to the directorates through the DCI/DDCI. This option represents more than an incremental change from the current system. Advantages of this option are centralized control of planning in the DCI area and provision of extra resources to develop Agency-wide plans and options. The principal disadvantage is the danger of creating a separate planning board that might result in ivory tower planners who are not responsible for executing their plans in a real environment. Moreover, the DCI/DDCI span of control would be further broadened, and their control over directorate-level planning probably enhanced beyond acceptable levels.

10. In the recommended Option III, the timing of the proposed semi-annual planning meetings of the Executive Committee is intended to complement and support existing planning processes, as shown in Figure 3. More importantly, the timing is intended to provide a concrete linkage between plans and programs, between ideas and actions.

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TIMING OF AGENCY LEVEL PLANNING SUPPORTS EXISTING PROCESSES

OCT 80 NOV 80 DEC 80 JAN 81 FEB 81 MAR 81 APR 81 MAY 81 JUNE 81 JULY 81 AUG 81 SEP 81

PLANNING FOR
FY 83 THRU
FY 87

EXCOM PLANNING MEETING

5 YR PLAN (83-87) & GUIDANCE

ANNUAL REPORT

EXCOM PROGRAM REVIEW & APPROVAL

PROGRAM/BUDGET CALL BY COMPTROLLER

PROGRAM DEVELOPMENT

BUDGET PREPARATION

AGENCY BUDGET TO DCI & OMB

EXECUTIVE &
LEGISLATIVE
REVIEW AND
APPROVAL OF
BUDGET FOR
FY 82

DCI HEARINGS WITH OMB ON NFIP

OMB SUBMITS NFIP TO PRESIDENT

PRESIDENT'S DECISIONS

CONGRESS REVIEWS AND APPROPRIATES

PRESIDENT SIGNS BILL

OMB ALLOTS

AGENCY ADJUSTS TO CONG. MARK
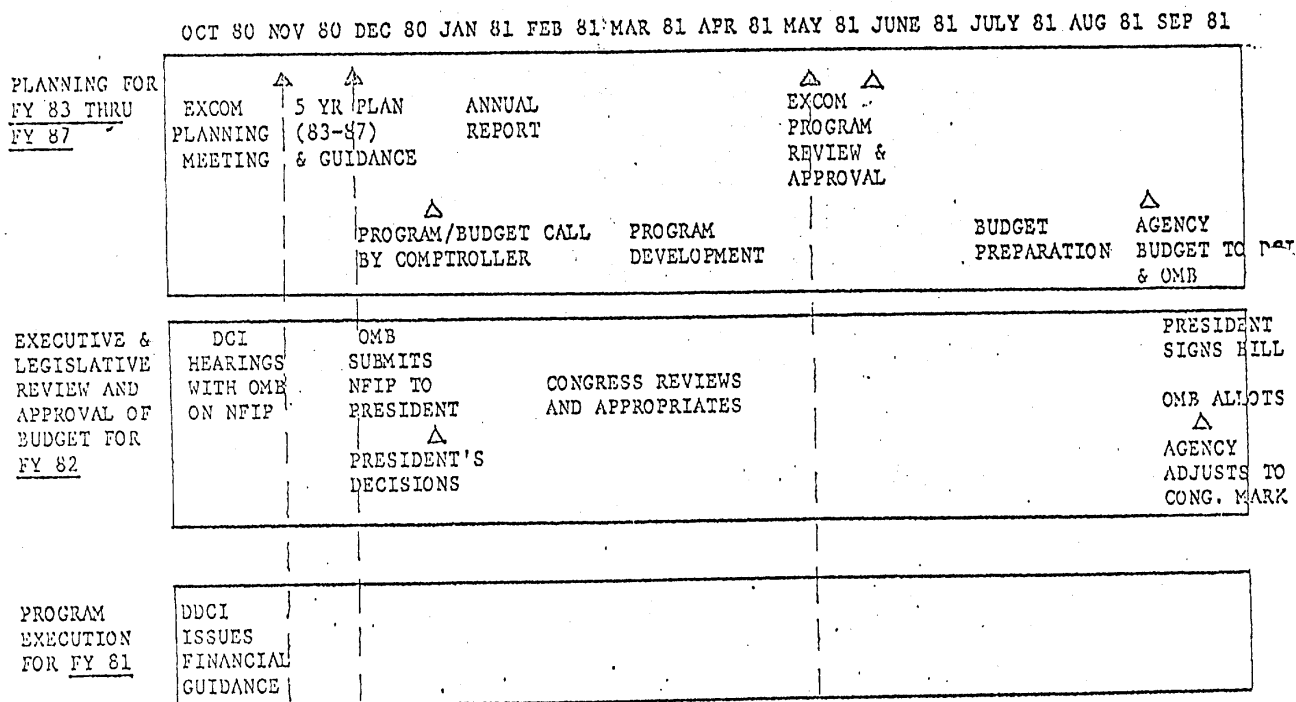
PROGRAM
EXECUTION
FOR FY 81

DDCI ISSUES FINANCIAL GUIDANCE

Figure 3.

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(a) An annual November EXCOM planning meeting is proposed to draw on directorate-level planning which is ready at that time for the ensuing program/budget cycle. The product of the November planning meeting would be a CIA 5-Year Plan and Guidance document intended to provide the framework within which the Program/ Budget and directorate-level plans for the following years are constructed. This CIA 5-Year Plan and Guidance would replace the current DDCI's budget guidance letter and would relate directorate-level issues to the Agency's overall direction.

(b) An annual May EXCOM planning meeting is also proposed to precede the EXCOM's budget/program review and approval meetings to review progress against the November 5-Year Plan and Guidance, and to identify issues and problems to be considered in the next planning cycle and in the program reviews.

(c) With only minor exceptions, directorate planning schedules are compatible with this proposed schedule, as shown in Figure 4.

11. The November meeting of EXCOM on Agency-level planning proposed above would include:

(a) a review and evaluation of the results of past operational planning, i.e., how well have we been doing against agreed objectives.

(b) a review of major goals, priorities gaps and opportunities which might result in new or altered goals and reordered priorities. This review would include an attempt to interrelate directorate goals in a rational manner.

(c) A review of possible strategic shifts, based on the previous considerations, to provide a starting point for the EXCOM's synthesis of a strategic plan. This strategic plan would describe in broad terms the direction for the Agency as a whole and for the directorates as an integral part of that whole.

(d) The final step would be the synthesis of an overall operational plan for the Agency to reflect: a measure of progress against previously agreed objectives, newly agreed upon goals/and priorities, strategic shifts (if any), and guidance for action plans and programs to meet goals.

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TIMING - DIRECTORATE LEVEL

| | OCT 80 | NOV 80 | DEC 80 | JAN '81 | FEB 81 | MAR 81 | APR 81 | MAY 81 | JUNE '81 | JULY '81 | AUG '81 | SEP 81 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|



DDO — Annual Field Program Plans 1.Eval. FY80 2.Plans FY 81-83; Field Station Asset Reports; Div. Country Plans; DDO Annual Review; Eval.; COS Overviews; FY 83-87 Program Development; Program Direction & Resource Guidance; Division Operating Directives FY 82-83

DDS&T — Ready to Review FY 83-87 Program; Bi-Weekly Reviews FY 83-87 Program Development; Program Review FY 81-87

NFAC — NFAC L.R. Needs to DDO; NITS; NITS; NFAC R&D Needs to DDS&T; Research/Production (& Resources) Plan CY 81 (3 Qtrs of FY 81); R/P Plan; FY 83-87 Program Development

DDA — FY 81; DDA R&D Needs to DDS&T; Quarterly; Quarterly; Quarterly; Quarterly; Set FY 82-87 Objectives; Evaluation Conference; Evaluation Conference; FY 83-87 Program Development

Figure 4.

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12.  One key to the success of the EXCOM's November Agency-level
planning meeting will be the quality of preparation by the principals
and their staffs. This meeting should not merely be another audience
with the DCI/DDCI, nor should it be a substitute for the first steps
of the Program/Budget. It is proposed that EXCOM Staff lead the preparation
process with full participation by the directorates and Comptroller
planning staff principals.  A two-day session at[        ]should also be                    25X1
considered for the November meeting.

13.  Another key to success of this planning proposal will be
the quality of the product--the CIA 5-Year Plan and Guidance. This document
should be brief, pointed, and provide unambiguous guidance. It should
not suggest program solutions, but inspire them.  Differences among
directorate-level planning processes will complicate this Agency-level
effort.  While some of these are a function of understandable difference
in mission, others are procedural and should be addressed.

14.  NEXT STEPS:  Specific recommendations for implementing an
Agency-level planning process, starting with the FY-83 program cycle,
are as follows:

(a)  May 1980 - EXCOM review and approval of this
     planning proposal.

(b)  May 1980 - October 1980 - EXCOM Staff and directorate/Comptroller
     planning principals begin detailed preparation for the first
     annual EXCOM planning meeting in November 1980,
     including drafting the first proposed CIA 5-Year Plan and Guidance
     document.

(c)  Nov. 1980 - Convene first annual EXCOM meeting for Agency-level
              planning review in order to

(d)  Dec. 1980 - Produce an agreed-upon CIA 5-Year Plan and Guidance
     for FY 83-87 (replacing current DDCI guidance).

(e)  May 1981 - Convene semi-annual EXCOM planning meeting to
     review progress, to relate the Program/Budget to CIA 5-Year
     Plan and Guidance for FY 83-87 and to summarize candidate planning
     issues for the next cycle in a planning report.

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<u>Related Actions</u>:

      (a) Provide the primary integrated planning support
           through an informal planning working group led by the
           EXCOM Staff, and consisting of Directorate Planning
           Staffs, and the Comptroller/Analysis Group Chief.

      (b) This planning working group would first review current
           directorate-level planning processes and suggest
           adjustments as appropriate to correspond with the new
           proposed Agency-level schedule, but avoid any major
           disruptions.  The goal would be to achieve reasonably
           uniform, integrated Agency-wide and directorate-level
           processes to include Goals/Priorities, Action Plans,
           Program, Budget and Evaluation.

      (c) Modify Annual Report to Congress to reflect progress
           in achieving CIA 5-Year Plans.

      (d) In the CIA Goals Program, surface planning issues during
           the course of the year that may not fit current
           EXCOM or Goals Program criteria and  monitor
           directorate progress on agreed upon Agency-wide plans.

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